

The Global Newspaper  
Edited and Published  
in Paris  
Printed simultaneously  
in Paris, London, Zurich,  
Hong Kong, Singapore,  
The Hague, Manila,  
Miami, Rome

No. 32,489

32/87

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

PARIS, SATURDAY-SUNDAY, AUGUST 8-9, 1987

Afghanistan — 6,000 Dead, Iran — 1,146,000, Iraq — 6,000,000  
Australia — 275, Israel — 1,000,000, Italy — 125,000  
Belarus — 6,750,000, India — 1,000,000, Libya — 6,500,000  
Belgium — 50,000, Jordan — 450,000, Rep. of Ireland — 75,000  
Congo — 5,125, Kenya — 500,000, Saudi Arabia — 700,000  
Cyprus — 10,000, Kuwait — 500,000, Libya — 100,000  
Denmark — 10,000,000, Lebanon — 500,000, Pakistan — 100,000  
Finland — 10,000,000, Luxembourg — 50,000, Portugal — 100,000  
France — 7,000,000, Morocco — 800,000, Turkey — 1,100,000  
Germany — 2,700,000, Netherlands — 300,000, U.S.A. — 200,000  
Great Britain — 10,000, Norway — 8,000, U.S.S.R. — 300,000  
Greece — 110,000, Nigeria — 4,000, Yugoslavia — 1,000,000

ESTABLISHED 1887

## U.S. Delays Escorts In Gulf as It Waits For Anti-Mine Force

By Molly Moore and Edward Walsh  
*Washington Post Service*

WASHINGTON — U.S. military officials have delayed for up to a week the escort of three more reflagged Kuwaiti oil tankers, until minesweeping and other protective forces arrive in the Gulf, according to Defense Department sources.

The forces are being sent because a mine damaged a reflagged tanker during the first escorted convoy and because Iran has raised new threats of retaliation against the United States.

The sources said Thursday that the Joint Chiefs of Staff decided formally on Wednesday to postpone the operation "to let equipment arrive" in the Gulf.

[Iran, meanwhile, was to have ended four days of military maneuvers at midnight Friday. The official Islamic Republic News Agency said a remote-controlled boat packed with explosives was rammed into a dummy target Friday, and an anti-ship missile was test-fired over the Strait of Hormuz, The Associated Press reported.]

Within the next several weeks there will be about 24 U.S. Navy warships and support vessels and more than 15,000 U.S. military personnel in and around the Gulf, the largest U.S. deployment since a naval task force challenged Libya's "line of death" in the Gulf of Sidra early last year.

Pentagon sources said that at least four U.S. warships would be involved in the second escorting operation.

Sources also said that the tanker Bridgeton, which was damaged when it hit a mine during the first convoy July 24, is scheduled to be escorted out of the Gulf by the convoy of the three newly reflagged ships is completed.

The second convoy of tankers and their American warship escorts originally had been scheduled to set out late this week.

But the carrier designated to transport eight Sea Stallion anti-mine helicopters to the Gulf was not expected to leave the island of Diego Garcia in the Indian Ocean for its three- to four-day voyage to the Gulf until Friday, Pentagon sources said.

Admiral William J. Crowe Jr., chairman of the Joint Chiefs, and Defense Secretary Caspar W. Weinberger spent an hour with top congressional leaders Thursday in a Pentagon meeting to discuss the Gulf operations.

Representative Les Aspin, Democrat of Wisconsin, and chairman of the House Armed Services Committee, who has criticized the military as short-sighted in the face of threats such as mines, said he left the session "feeling a little better."

"The military is at least beginning to think in terms of what's the unusual," Mr. Aspin said. "I don't know if it's going to work."

Secretary of State George P. Shultz denied reports that the reflagging of the three tankers was postponed because a high-level Iranian delegation was in Kuwait trying to set up a new government.

See GULF, Page 6

### Kiosk

#### Reagan to Speak On Iran Affair

WASHINGTON (UPI) — President Ronald Reagan announced Friday that in a nationally broadcast speech Wednesday night he will discuss the Iran-contra affair and his plans for the rest of his term.

The speech is apparently meant to quell calls for a news conference that likely would have focused exclusively on the arms sales to Iran and the diversion of some proceeds to the Nicaraguan rebels.

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Camille Chamoun, 87, a former president of Lebanon, died Friday of heart failure. Page 2.

## GENERAL NEWS

■ Punjab gunmen, believed to be Sikh terrorists, killed at least 23 persons in attacks. Page 5.

## ARTS/LEISURE

■ The Getty Museum in Malibu, admirable as it is, needs to learn about image building, Soren Melkier says. Page 7.

## BUSINESS/FINANCE

■ Prices on the London Stock Exchange fell sharply for the second day in a row. Page 9.

## MONDAY

Wine investors are cautiously awaiting the harvest, and experts believe prices will rise. In Personal Investing on Monday.

Dow close: DOWN 2.23  
The dollar in New York:  
DM £ Yen FF  
1.8925 1.564 151.80 63.075



The Associated Press  
A landslide destroyed the village of Aquilone, Italy, in July.

## Iran's New Diplomatic Tune Plays Well in Moscow

By Philip Taubman  
*New York Times Service*

MOSCOW — As an avowed atheist state that sells arms to Iraq and is engaged in a war against Islamic guerrillas in Afghanistan, the Soviet Union hardly seems a promising partner for the Islamic revolutionary leaders of Iran.

But the Iranians appear to have put aside their differences with the Soviet Union to forge a friendship of sorts in recent weeks that challenges American interests in the Gulf and gives the Soviet Union an advantage, at least temporarily, in an intricate competition there.

The latest Iranian-Soviet move came this week with announcements in Moscow and Tehran that the two countries, which share a long border, had reached general agreement to jointly develop large economic projects and to deepen relations.

The Iranian news agency, IRNA, reported that the projects would include oil pipelines and a railroad linking the Soviet Union with the Gulf.

Moscow's Gulf strategy, according to Middle East and Western diplomats, revolves around the triple goals of reducing tensions, blunting American influence and improving political and economic relations with Gulf countries, particularly Iran.

"The cessation of hostilities between Iran and Iraq," the statement said, "is the condition to fully guarantee free navigation in the Gulf."

Defense Minister Valerio Zanone called for free passage in the Gulf "of vital strategic and economic importance" and said he believed "it should be defended."

He said Iranian minesweepers, if called upon, could reach the Gulf region in 25 days. Their deployment would require approval by Parliament.

A West German Defense Ministry spokesman in Bonn said a decision on whether to move ships to the North Atlantic or Mediterranean was likely "within the next few days." He denied news reports that West German officials had already decided to send the ships.

"A small fleet may be sent to the North Atlantic or the Mediterranean to relieve the Americans," the Defense Ministry spokesman said.

Bonn officials have said the country's constitution forbids its military forces from taking part in patrols outside North Atlantic Treaty Organization areas.

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Accompanied by a small crowd of mourners, coffins of pilgrims killed in the Mecca rioting are carried through Tehran during funeral services Friday.

## AIDS in the Line of Duty: A Doctor's Shattered Life

By Susan Okie  
*Washington Post Service*

WASHINGTON — Dr. Hacib Aoun remembers the moment at Johns Hopkins Hospital in February 1983 when, he believes, he became infected with the AIDS virus.

The Venezuela-born physician, then a 27-year-old resident at Johns Hopkins, was taking care of a teen-age boy with leukemia who had undergone a bone-marrow transplant and received multiple transfusions. The boy began vomiting blood.

Dr. Aoun grabbed a thin glass tube and collected a sample to get a quick measure of the patient's blood count. He ran to the laboratory and jabbed one end of the tube into a shiny-coated card designed to plug the end so it could be spun in a centrifuge — a simple procedure he had performed many times.

This time, the blood-filled tube shattered and Dr. Aoun inadvertently drove its jagged end deep into his finger.

He became ill about three weeks later with fevers, a skin rash, exhaustion, muscle aches and swollen glands. Blood tests and biopsies of his lymph nodes and bone marrow revealed nothing. After a few weeks he recovered and forgot about the accident.

At the time, the virus that causes acquired immune deficiency syndrome had not been

discovered and no blood test existed. But when Dr. Aoun developed fatigue and weight loss in November 1986, both he and his doctor recalled the accident and decided to test him for infection with the AIDS virus, even though he had no other risk factors.

The test was positive, indicating AIDS infection. A stored blood sample from Dr. Aoun's patient, who had died a few weeks after the 1983 incident, also was positive on this test.

A Houston hospital for AIDS is to close after financial losses. Page 6.

two separate tests for infection with the virus, according to a report from the Maryland state laboratory.

Today both Dr. Aoun's health and his prospects have been shattered. He is milder than AIDS but usually progresses to the full-blown disease. A former chief resident at the Baltimore hospital, with a promising career in cardiology, he cannot find a job. On good days, he feels well. On bad ones, he feels weak and tired and his muscles ache.

His case illustrates the dilemmas that the AIDS epidemic poses for health-care workers and hospitals.

He contends that hospital officials broke an agreement to keep his infection confiden-

tially, spread rumors that he had contracted the virus sexually, failed to provide compensation they had promised and manipulated blood samples to try to discredit his claim that he had been infected by a patient.

Attorneys for the hospital and Johns Hopkins University deny the allegations. They say that the hospital had no legal obligation to keep Dr. Aoun's infection confidential and that he was offered a much more generous compensation package than required under Maryland's workers' compensation laws.

Dr. Patricia Charache, the director of Johns Hopkins' microbiology laboratory, denied that the hospital had manipulated blood samples. She said three laboratories had run additional tests on the same sample that the state laboratory reported as positive and that the results were negative.

Two blood samples from the leukemia patient had been saved by cancer specialists at the hospital. The second, taken after the patient had received multiple transfusions, tested positive for the virus.

Dr. Aoun and his wife learned that he was infected with the AIDS virus on Christmas Eve. "We had a miserable Christmas," he said.

Both his wife and their 16-month-old daughter have tested negative for the virus.

Accidently becoming infected. For institutions, there is concern over how to protect employees without denying care to people with AIDS. And when a worker is infected on the job, it raises thorny questions about confidentiality and institutional responsibility.

He said that as a doctor, he accepts that risk. "If you're in the room and your patient starts to throw up blood, you're not going to say, 'I'm going to put on my gloves and my gown,'" he said.

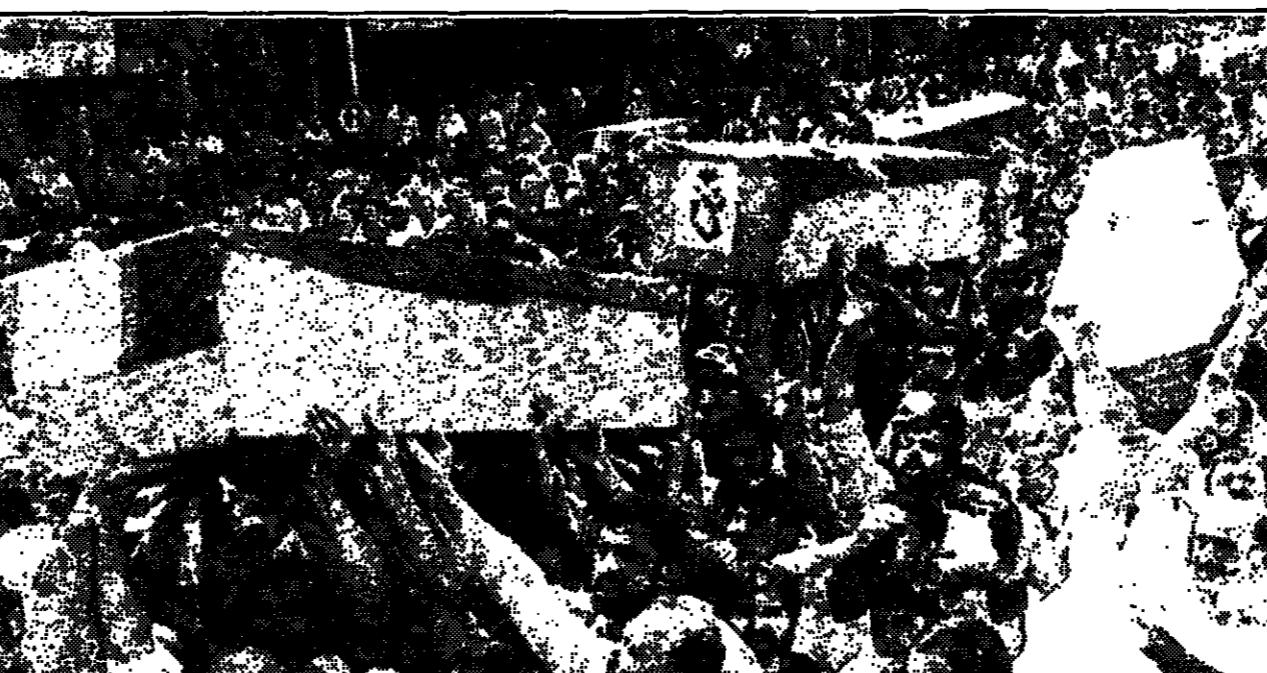
But he added, his eyes filling with tears: "These institutions have a responsibility for the young people that work there on the front lines. They should provide them with life insurance and accident insurance, just like a NASA astronaut or a commercial pilot. Because if something happens to them, as in this case, it's very easy for the institution to get off."

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See POLL, Page 6



The Associated Press  
Coffins of pilgrims killed in the Mecca rioting are carried through Tehran during funeral services Friday.

## When the Alps Changed

Sudden Italian Disasters Raise Question Of Humanity's Relationship With Nature

By Roberto Suro  
*New York Times Service*

SONDRIE, Italy — The Alps of the Valtellina seem high and mighty, giant incapable of change during one person's lifetime. But this summer the mountains did change, and now they are dangerously fragile.

"We have to go around on our tiptoes right now because this could crumble any minute," said Maurizio Azzula, a geologist, who was wearing heavy hiking boots and various pieces of equipment strapped around his waist.

He was pointing at a soaring mountain-side partly covered with pine trees, and he was talking about it as if it were a mound of sand piled up by a child.

Since July 18 at least 44 persons have been killed by floods and landslides in the Valtellina, a long valley in Lombardy northeast of Milan. Now, deep anxiety sets in whenever the weather forecast calls for rain.

"The Valtellina is like a person who has just undergone major surgery."

— Maurizio Azzula,  
an Italian geologist

on every other wall hangs a big poster describing in bold black letters the worst case. It is an evacuation plan.

Geologists have concluded that the very structure of the valley is undergoing an unexpected and unpredictable change.

The most dramatic example of this alter-

ation is a huge landslide last week in which the entire face of a mountain came loose and dumped about three million cubic meters (four million cubic yards) of dirt and rock into the valley, raising its floor more than 300 feet (90 meters).

On Sunday afternoon in Bormio, the town at the head of the valley, a funeral was held for the 28 persons who died in the landslide, most of them in a village that had not been emptied because the experts had not imagined such a great movement of land. There was only one coffin in front of the altar; the other victims have never been found.

The firefighters who searched the village

See ALPS, Page 6

## Summit Accepts Arias Plan

**Latin Americans Take Alternative To Reagan Draft**

Compiled by Our Staff From Dispatches

GUATEMALA CITY — The presidents of five Central American nations tentatively agreed Friday on a peace plan that rests on their ability to work out further agreements that have eluded them for years.

Diplom

## U.S. and Soviet Decide To Speed Arms Talks Before Ministers Meet

Reuters

GENEVA — The United States and the Soviet Union agreed Friday to speed up arms negotiations in an attempt to narrow differences before a meeting next month of their foreign ministers.

The Soviet foreign minister, Eduard A. Shevardnadze, said at a briefing that he and the chief U.S. arms negotiator, Max M. Kampelman, had reached the agreement during a three-hour meeting.

Referring to the scheduled Sept. 15-17 talks with his U.S. counterpart, Secretary of State George P. Shultz, Mr. Shevardnadze said: "We agreed our delegations would best use the time available before the meeting ... and we don't have much time, only a month or so — to prepare a mutually acceptable

draft agreement on medium- and short-range nuclear missiles."

In a separate briefing, Mr. Kampelman said he hoped for progress on banning medium-range nuclear forces and on reducing strategic weapons, or long-range missiles, before the meeting.

Mr. Shevardnadze reiterated that Moscow insisted on the removal of U.S. warheads on West Germany's Pershing-1A missiles as part of an agreement on medium-range missiles.

Mr. Kampelman, however, insisted that the Pershing warheads could not be a part of the treaty.

Mr. Shevardnadze accused the U.S. team at the Geneva talks of not engaging in substantive discussions so far.

"If one compares the negotiations with a two-engined airplane," he said, "the Soviet-U.S. negotiations are flying on the power of one engine. This is the Soviet engine."

Mr. Kampelman retorted: "I assure you that the United States is not prepared to be an idle passenger."

The superpowers have drafted what they call a first version of a joint draft treaty to eliminate medium-range weapons, those that can travel 600 to 3,000 miles (1,000 to 5,000 kilometers).

The Soviet Union has agreed to a U.S. request to extend the ban worldwide. The proposal is known as the "global double-zero option."

"An agreement on global double-zero can be worked out any time the two sides want, even tomorrow," Mr. Shevardnadze said. "But that tomorrow is being postponed."

John Woodworth, deputy U.S. negotiator for medium-range missiles, said he did not believe it would be possible to complete a draft treaty in all its details before the Shevardnadze-Shultz meeting.

Noting that "we have been working on a joint text for three months," he said, "We will advance that as far as we can. But I would be surprised if we would have what I call a completed text" in time for the meeting.

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### 12,000 Scientists Reported Enrolled In SDI Boycott

The Associated Press

URBANA, Illinois — About 12,000 scientists worldwide, including about 7,000 in the United States, have pledged to refuse research funds linked to work on the Strategic Defense Initiative, a physicist says.

John B. Kogut of the University of Illinois, writing in the Journal of the American Medical Association, said: "It is important that the program not reach a 'critical mass,' above which it will assume a life of its own regardless of its feasibility." Mr. Kogut helped start the boycott in 1985.

The research program is aimed at developing lasers and other exotic weapons that could be deployed on the ground or in space to automatically shoot down missiles fired at the United States.

### Pilot's Trial in Moscow To Begin in September

Reuters

MOSCOW — The trial of Maria Rust, the young West German who landed a light plane in Red Square in May, will begin "at the beginning of September," a West German Embassy spokesman said Friday.

Mr. Rust, from Hamburg, faces up to 10 years in prison on charges of violating flight regulations, malicious hooliganism and illegal entry into the Soviet Union.

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Vladimir O. Feltsman, right, the Russian pianist, arriving in Vienna with his wife and son after years of trying to emigrate to the United States. They were met by Warren Zimmermann, U.S. delegate to the Helsinki review talks.

## Feltsman, Russian Pianist, Arrives in West

By Serge Schmemann

New York Times Service

VIENNA — Vladimir O. Feltsman, the Russian pianist whose career was stalled eight years ago when he applied to emigrate, has finally left the Soviet Union with his family.

Mr. Feltsman, 35, said Thursday on arrival in Vienna that he planned to settle in New York and begin a new life with his wife, Anna, and their son, Daniel. 4. He had no specific plans, he said, but his options included an invitation to teach at the State University of New York at New Paltz. He hopes to make his American debut at Carnegie Hall.

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# INTERNATIONAL Herald Tribune

*Published With The New York Times and The Washington Post*

## Reagan's Nicaragua Move

The Reagan administration's latest reach for peace in Central America takes place under the dark cloud cast by the Iran-contra hearings. It has enraged some of the president's pro-contra constituents. More menacing to its prospects of acceptance by Congress, Democratic skeptics insist it is merely a gimmick to tranquilize doubters and buy the next slice of contra aid. But we think it would be extraordinarily shortsighted to let debate over the move degenerate into an examination of suspected motives. Far better to stipulate these, to recognize that a moment of potential transition may have arrived and to look hard for ways to make the most of it.

Lieutenant Colonel Oliver North notwithstanding, President Reagan's public command of the Nicaragua issue has slipped badly. He is within sight of his administration's terminal stages with no firm prospect of achieving what may be his most cherished foreign goal — undoing the Sandinists. He could yet decide to pass the problem and the blame to his successors and political adversaries. The far better alternative, however, and the one we hope is guiding the president now, is to do what he can to move the struggle within Nicaragua back within political lines. To do that, the White House appears to be inviting some erstwhile critics in Congress to join Mr. Reagan in the launching of a diplomatic initiative. The president is also taking the further political risk of putting the renewal of contra aid on the back burner; he cannot know whether it will be possible to crank the program up again in the fall.

Daniel Ortega Saavedra, too, has his problems. Americans may debate the question of the contras, but the Sandinists know their weight and sting and cannot dismiss the possibility of their remaining in the field. At the same time, Nicaragua's neighbors and fellow Latin Americans, divided among themselves and from the United States on many things, agree that a turn toward pluralism

is in Managua is the key to the region's stability and security. These are the two large considerations inclining the Sandinists to explore what the new U.S. posture means. They are even warier than Americans, since what is to Americans at most a problem in regional foreign policy is to the Sandinists a matter of the whole future of their revolution. Nonetheless, Managua was quick to respond to the U.S. initiative with an offer to resume the direct dialogue the two sides broke off in 1985. The offer is not new, and like every other tactical choice, it carries its own traps. But at this stage, a clear channel for authoritative exchange has an obvious value. The administration was too hasty in setting a condition — a prior cease-fire — for it.

A cease-fire, mutual suspension of foreign military support, political opening sufficient to civilianize Nicaragua's search for its future, the participation of Nicaragua's basic fellow Latin Americans: these are the basic elements of all "plans" for this embattled country, including the Arias plan, which this one resembles in its emphasis on political change. But what is new about the latest American move is that it seems less a plan than a solicitation for a double process. On one level, the more realistic elements within the Reagan administration are trying to draw the president toward an endgame that will let him achieve some respectable part of his goal of preventing consolidation of a "second Cuba." On another level, the United States seeks to draw a suspicious and repressive Nicaraguan regime from a military struggle to a political one.

There will be time enough later for any recriminations, for those given to them and for another whack at the aid issue, if that turns out to be necessary. Right now it is time for Americans, Nicaraguans and, not least, other Central Americans and Latin Americans to see if peace and some measure of pluralism can still be saved.

— THE WASHINGTON POST

## On the Presidential Mind

What was President Reagan thinking when his administration took the actions that exploded into the Iran-contra affair? That is not the same question as whether he "knew" about the diversion of Iran arms-profits to the Nicaraguan rebels, but it is a critical question nonetheless.

Americans need to know more about a presidential mind-set that could generate such disasters. They need to know what it was about Mr. Reagan's thinking that made his aides behave as they did. Only by wrestling with these questions can the congressional investigating committees satisfactorily conclude their enterprise.

The public hearings just ended have offered tantalizing but conflicting views. The highest-ranking witnesses agree that the president was privately soft about his firm public policy against ransoming the U.S. hostages and that he was passionate for the contra cause. Donald Regan, Casper Weinberger and George Shultz agreed that the president had set a clear course on these issues.

Mr. Regan, the former chief of staff, gave one view of the president's thought process in explaining the whopper his boss told at a news conference last November. The president repeatedly denied that Israel or any other nation had served as a conduit for arms shipments. Mr. Regan's explanation: The staff briefed the president in such a way that "I think the presidential mind was confused" about what he could safely say in public.

A few days later Mr. Regan disclosed to congressional leaders the diversion of Iran arms-sale profits to the contras. He told them that the diversion, which he said he had not known about and did not con-

done, "wasn't contrary to policy." Was the presidential mind confused then?

Mr. Weinberger learned last year that the White House had ordered his own Defense Intelligence Agency to withhold information about Iran from him. But he never complained to the president. What view of the presidential mind does this reflect?

How could Secretary of State Shultz refrain from telling Mr. Regan that he learned from field reports that the White House had authorized a secret mission to Israel and had revived dormant arms dealings? And why, after he got nothing but lies from Rear Admiral John Poindexter, the national security adviser, did he not inform the president?

As for the admiral, he testified that he knew the president's mind so well that there was no need to ask Mr. Regan to approve the diversion; he could order it himself and protect his boss from knowing about it. Yet other top aides supported the president's claim that he heartily disapproved.

According to Mr. Regan, the president convinced himself he was not dealing with hostage-takers because the weapons were shipped to Iran, not to those actually holding hostages. By similar logic, the president argued that he did not solicit contra aid from third countries in his meeting with King Fahd of Saudi Arabia. Why? Because, he said, it was the king who raised the subject.

At this point, no one can expect the investigating committees to shed new light on what Mr. Regan knew of the contra diversion. But in most respects it is more important for the legislators, as they sort out the weeks of contradictory testimony and evidence, to explain the thinking and mind-sets that produced the crisis.

— THE NEW YORK TIMES

## How Can They Get It Right?

When America publicly washes its dirty cover linen the whole world laughs, according to Richard Secord, the former arms salesman to Iran. If the Secord thesis were correct, nobody would laugh in or at Britain, where an Official Secrets Act makes it a criminal offense to disclose anything the government calls an official secret. And there are never public inquiries into the two secret services, MI5 and MI6. In fact, the system is more effective in denying to the British people what everybody else — including the Soviet Union — already knows.

Hence this useful announcement in a recent London Economist: "In all but one country, our readers have on this page a review of 'Spycatcher,' a book by an ex-MI5 man, Peter Wright. The exception is Britain, where the book, and comment on it, have been banned. For our 420,000 readers there, this page is blank — and the law is an ass."

For Americans reading 'Spycatcher' it is not James Bond who comes to mind but Inspector Clouseau. Perhaps Mr. Wright, a former assistant director of the British equivalent of the FBI, badly overstates his tale of bungling amateurism and treachery. Perhaps he is wrong in suspecting that his one-time boss was a KGB mole.

But if Mr. Wright has got it wrong, how can the British possibly have the opportunity to get it right? Under the law, British publications cannot even review "Spy-

catcher" — though thousands of copies are legally flooding into London. Unable itself to inquire into Mr. Wright's charges, Parliament has to accept Prime Minister Thatcher's insistence that there is nothing to them, that it is risky to let a former spy relate events 20 years stale. It says a lot about her bureaucracy's protective obsessions that even a Thatcher qualms at a closed inquiry into what may have been the most heavily infiltrated intelligence service in the West.

How can the British correct what they cannot even sensibly debate? Who will believe details about matters deemed unfit to print? Perhaps Mr. Secord, who thinks the American system is so laughable, can explain.

— THE NEW YORK TIMES

## Frisbee's Well at 30

THE Frisbee is celebrating its 30th anniversary, which may surprise some of its devotees. The plastic disc first took to the air in its present form during the Eisenhower administration, but took off, so to speak, with the flower children. Since, it has been adopted by laid-back sportsmen in 50 countries. Perhaps the reason the Frisbee didn't go in the 1950s was the conservative, responsible nature of the youths of that era. They were known to prefer more serious recreations, like Hula-Hooping.

— The Dallas Morning News

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel: (1) 46-37-93-00. Telex: 61395; Circulation, 612718; Production, 63098.

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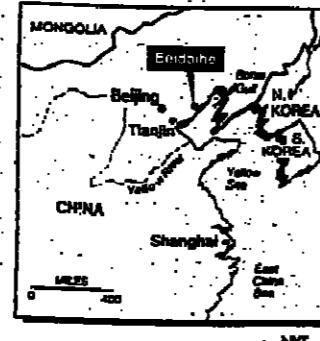
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# At Seaside, China Plots Future

Vacationing Leaders Debate a Changing of the Guard

By Edward A. Gargan  
New York Times Service



BEIDAIHE, China — In the seventh century, a Tang emperor, Tai-zong, journeyed through the forested Limpeng Mountains and left a memorial stele here.

This summer, at the Black Cat Bar down by the beach, the mayor of the city of Tianjin was seen making his way across the octagonal linoleum dance floor.

Over at Kiesling's Pastry Shop, a deputy prime minister was putting away a hefty piece of cake laden with ice cream.

Every summer, China's leaders troop to this somewhat dowdy seaside resort east of Beijing to paddle around in the Bohai Gulf, watch their grandchildren build sand castles, play bridge and decide the future of their country.

This year, the beachfront chats may be among the most important in the 38 years since the Communist Party began ruling China. The country's elderly and, in some cases, ailing leaders are trying to determine whether power will be transferred to a younger generation of party and government officials who have no direct experience of the revolutionary years.

Leading the wave of retirees is likely to be China's paramount leader, Deng Xiaoping, who at 82 has reportedly told foreign visitors of his intention to step down from the party's Politburo in favor of younger leaders.

The discussions among the leadership also precede a congress of the Communist Party that is scheduled for October. The congress, which meets every five years, is to approve the composition of the party's new leadership as well as a series of policy documents intended

Black Cat Bar asked, "Me, I'm going to be the next party secretary." She then dissolved into giggles.

A bit of politics has crept into the Black Cat, the major bar.

The owner saw a T-shirt worn by a foreigner in Beijing quoting Deng Xiaoping's famous comment, "It doesn't matter if a cat is black or white as long as it catches mice," a waitress in the bar said. "Originally, he was going to call this place the White Cat, but some Russian friends said that black cats were unlucky, so they chose something more risky, the Black Cat."

In the back, a small band played "O Susanna" and "Erlkönig."

Young men swaggered up to young women and whisked them across the dance floor in long-step waltzes and toned-down tangos turned staccato in the flashing strobe light.

Temperatures on the dance hall climbed, and tempers outside flared when the \$1.35 door charge seemed too high.

Outside, a college student and an architect said they were vaguely aware of the meetings going on down the road.

"I know about them," the architect said. "But I don't care about them. I want to go abroad. Can an architect make a lot of money abroad?"

Told that there was considerable competition among architects, he replied, "Well, we don't have that here yet."

While the beachgoers worked on their tans, the leadership talked. Nothing has appeared in the Chinese press about the substance of the discussions so far.

But among diplomats in Beijing, who are swamped with rumors but few hard facts, it is generally believed that Mr. Deng's goal is to rid the Standing Committee of its two remaining hard-liners and pack it with younger, change-minded leaders while retaining his own tremendous influence from off center stage.

Indeed, Mr. Deng has acknowledged as much by telling several foreign visitors that they need not worry about his formal retirement because he will still remain influential.

An East-bloc diplomat in Beijing put it more bluntly: "Deng could walk the streets like a beggar, and he would still be in charge."

## Jellyfish Hurt 1,500 At Beidaihe Resort

United Press International

BEIJING — Jellyfish have killed one person and injured more than 1,500 others in one week at the seaside resort of Beidaihe, where Communist Party leaders are vacationing, official media reports said Friday.

On July 29 alone, 166 swimmers were taken to the emergency room of the Beidaihe People's Hospital suffering from allergic reactions to jellyfish stings, the China Daily reported. Victims have serious bleeding under the skin, congestion, nausea and vomiting.

Poison Wine Kills 55 Chinese

Reuters

HONG KONG — Rice wine laced with industrial alcohol has killed 55 persons and poisoned 3,600 in Guangxi Province, the China News Service said Friday.



China's leader Deng Xiaoping, foreground, swimming in the Bohai Gulf at Beidaihe. (The Associated Press)

## Economic Tensions Between Japan And U.S. Threaten Security Accord

By Susan F. Raskin  
New York Times Service

WASHINGTON — Economic tensions between the United States and Japan are threatening to undermine their security relationship, a study issued by the Council on Foreign Relations says.

It suggests that the cause of the economic tension is a dramatic shift in the relative wealth of the two countries over the last decade, with Japan growing relatively richer while the United States becomes relatively poorer.

Although a vast number of American studies have tried to describe and analyze Japan's economic and industrial policies, the council's study, released Thursday, provides a somewhat different perspective.

It examines how both American and Japanese perceptions, social and cultural attitudes, values and styles of leadership have fed the economic conflict and could, in turn, lead to an unraveling of the postwar security alliance.

The study warns that if present economic patterns continue, "Japan will lurch back into pessimism,

careful management of the alliance is more essential than ever," she said. "Unless the forces of economic change are anticipated and widely understood, conventional diplomacy may not be enough to prevent a vicious circle of mutual recrimination and resentment, leading to a severe contraction of bilateral relations."

Attacking Japan in Congress has a mirror image in Japan, which Ms. Frost describes as a "new arrogance" among some Japanese industrial leaders.

"Its protagonists have no particular interest in military spending, except to the extent that it enhances the development of new technologies," she said.

"Their patriotism takes the form of an underlying concern with national survival combined with strong competitive instincts and a certain indifference to other countries' problems. It is this insularity and narrow self-interest that the West finds so irksome and contemptible, and that is already breeding a backlash that undermines the mercantilists' own goals."

In later attacks, the police said, Sikh terrorists killed a Hindu Communist Party worker and fatally shot two Hindu brick kiln workers in attacks in the Amritsar district Thursday night. The Associated Press reported.

The United News of India reported Friday that suspected Sikh terrorists had fatally shot two Sikhs in a village in central Ludhiana district and one Sikh near Batala

## Sikhs Blamed in Punjab For Attacks Killing 23; Hindus Riot in Amritsar

By Sanjoy Hazarika  
New York Times Service

north of Amritsar. It gave no details.

The death toll in Punjab violence in July and August has exceeded 200, and it is above 700 for the year. Sikhs are a religious minority in India, making up less than 2 percent of India's 780 million people. Militant Sikhs have been fighting for an independent homeland in the northern state of Punjab for five years.

New Delhi newspapers published reports Friday of terrorist plans to attack schools and hijack school buses.

One woman said that her son had taken part in drills at his school Thursday in which instructors and teachers trained their students to evacuate classes quickly in case of a terrorist strike.

As part of an effort to prevent such attacks, police patrols have been set up outside schools, and armed guards are being assigned to school buses, education officials said.

Reports from Punjab said that Sikh extremists entered the village of Jagdeo Kalan, near Amritsar, early Friday morning and shot at villagers, killing at least 12 people and wounding several others. Those killed were mostly Hindus, witnesses said.

Press Trust of India described the village as a Communist Party stronghold, but this could not be independently confirmed. However, extremists have been stepping up their attacks on leftist activists for several weeks.

In the second massacre, the police said, terrorists shot five Hindus after a car chase Thursday afternoon on a highway near Amritsar.

Hindus in the funeral procession of these victims rioted Friday at Amritsar as the bodies were being taken for cremation, residents of the city said.

A news report added that the crowds had attacked policemen with rocks and had sought to capture a police station. The police then opened fire on the rioters, wounding at least three people and prompting local officials to impose the curfew, the press agency said.

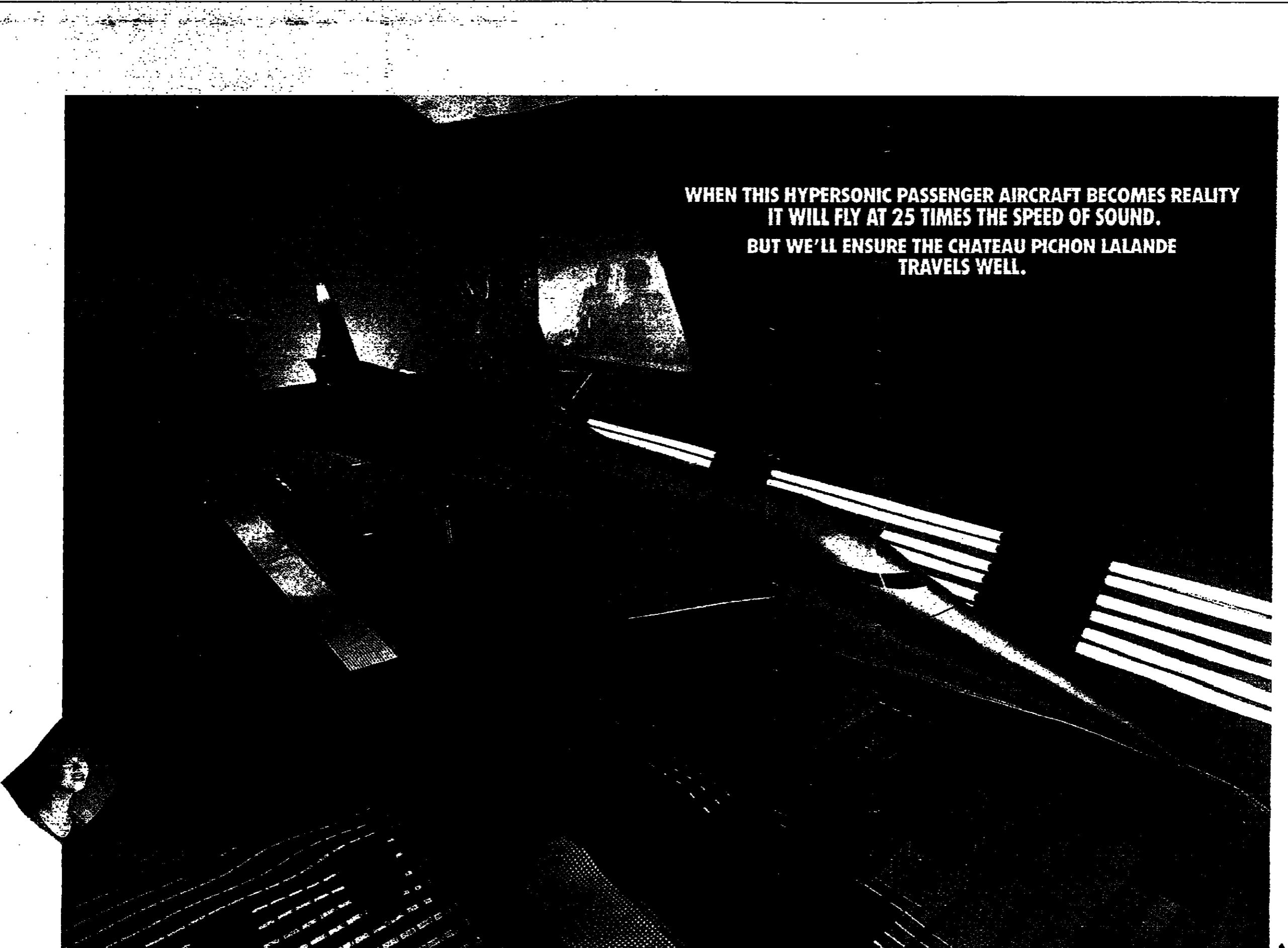
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3 Held in Birational Holdings

Reuters

WIESBADEN, West Germany — Two Italians and a West German have been arrested and accused of stealing 10 million Deutsche marks (about \$5.3 million) in a series of armed robberies in the two countries, the Federal Criminal Bureau said Friday.



As the airline with the world's most modern fleet, we are eagerly following the development of this experimental hypersonic passenger aircraft, which could be operating by the turn of the century. Travelling at twenty five times the speed of sound, it would enable us to fly you from, say, London to Singapore in a mere 50 minutes. Or from San Francisco to Hong Kong in one hour. But rest assured our standard of in-flight service will not change. We'll still find enough time for the Chateau Pichon Lalande to breathe before being poured. SINGAPORE AIRLINES

## Houston Hospital for AIDS to Close After Failing to Find Paying Patients

By Peter Applebome  
*New York Times Service*

HOUSTON — The first U.S. hospital solely for AIDS patients is planning to close, a victim of internal problems and the expensive costs of treating the fatal disease.

The private research and treatment facility, the Institute for Immunological Disorders, will lose more than \$8 million by the end of its first year, officials said Thursday in announcing that it would shut down over the next year.

The rapid demise of the hospital, which began taking patients in September, reflected both planning decisions unique to its operation and factors affecting all institutions treating AIDS, or acquired immune deficiency syndrome, officials there said.

But its disastrous financial performance dramatically underscores questions about who will bear the cost of AIDS treatment, which the federal Centers for Disease Control expects to increase from \$1.1 billion nationwide last year to \$8.5 billion in 1991.

"We anticipated an initial investment, but we thought it would reach a point of economic viability," said Carol White, a spokeswoman for American Medical International, the profit-seeking corporation that ran the program in conjunction with the University of Texas System.

"But," she added, "when we looked down the long dark tunnel after almost a year of operations, we couldn't see where the point of viability might be."

The unusual joint venture, housed in a former general hospital owned by the company, was one of 14 AIDS Treatment and Evaluation Units designated by federal officials to use experimental drugs

for AIDS patients, and it was staffed by some of the top researchers in the country.

But it was unable to attract enough paying patients to keep its doors open — some were indigent to begin with, and many others lost their jobs or exhausted their insurance.

Albert L. Guy, 47, former warehouse manager, is typical of the patients facing financial problems. He said he had lost his \$45,000-a-year job, and the insurance coverage that went with it, because of his illness.

Now, he said, his only option was to go to a county hospital for indigent care. "I will stay at home and die before I become an indigent patient," he said from a wheelchair. "I have never depended on the government. I am not an indigent patient. I lost my job because of AIDS."

M.D. Anderson officials said they believe an AIDS facility still makes sense, even though the economic viability is in doubt.

"I believe very strongly that if you concentrate people with expertise in a single area in a single institution, you have a lot better chance of making progress than by diluting it with a lot of other things," said Dr. Irwin Krakoff, head of the division of medicine at M.D. Anderson Hospital.

That's why we have cancer hospitals."

"My question is, where are patients in Houston going to be able to get the treatment they're getting now from this hospital?"

When it opened last year, the venture was intended to provide the first research and care facility in the nation devoted solely to AIDS. American Medical International was to provide the hospital and staff. The university, through its Health Science Center and M.D. Anderson Hospital and Tumor Institute, was to guide the research.

They envisioned an institution that would inspire research grants to finance experimental programs, provide specialized care and drugs, and attract AIDS victims from Houston and around the nation — enough to make the operation financially viable while it could become a national leader in an emerging field.

But there was criticism almost from the start. Since the hospital's doctors had to be associated with the university, other local doctors could not treat AIDS patients at the institute and referred them elsewhere.

That left the institute with a glut of indigent patients, far more than officials had planned for. In addition, many of the patients still covered by insurance found the costly

changes in the Valtellina was a bizarre meteorological combination.



An AIDS patient in Houston, Albert L. Guy, 47, holds a letter telling him his hospital, the only one in the United States devoted entirely to treating the disease, is to close.

## ALPS: Italians Ponder Their Relationship With Nature

(Continued from Page 1)

wrote a letter that was published in local newspapers: "Dear little boy, an hour after the landslide we found your shoes." They found his toy train and his schoolbooks as they dug ever more frantically, until they were ordered off the unstable ground.

A new lake has formed in the Valtellina because the landslide dammed the Adda River. Engineers are drawing up plans to drain the lake before it plunges catastrophically through the barrier the landslide created, but the mountain is still too unsettled for work to begin.

In blocking the valley, the landslide also severed Bormio's only easy link to the rest of Italy.

A long, winding road through an Alpine pass is available in the summer, but most of the year it is blocked by snow. In the winter the only way to Bormio will be through Switzerland, and the authorities expect it will take up to two years to build a new road down through the valley.

The immediate cause of the changes in the Valtellina was a bizarre meteorological combination.

During the last half of July, cool, wet air from the Atlantic swept across much of Europe, and an unusually hot sirocco blew into the Mediterranean from Africa. The two weather systems met over the valley, and as the heat was melting more than three feet of snow off the mountain peaks, it rained, torrentially.

The enormous amount of water pouring through the valley weakened mountainsides and dumped thousands of tons of debris into streambeds. Riverbanks that had handled all but the heaviest rains were suddenly dangerously overtaxed.

In Sondrio old men with broad, pink faces spend idle hours watching the big mechanical shovels that are digging into the streambed, working furiously to make it deeper.

The disasters in the Valtellina and the prospect of more to come have prompted a debate about humanity's relationship to nature.

It is Italy's proud conceit that over the centuries people have substantially improved on nature. Castles perched on cliffs, rows of cypresses along country lanes, and

even simple fields of sunflowers are regarded as improvements on an already beautiful peninsula.

Later than most industrialized nations, Italy has begun to discover that there is another side to human actions, and environmental issues have slowly begun to move up on the agendas of major political parties.

According to some newspaper columnists and politicians, people have damaged nature in the Valtellina.

Over the last 20 years about 30,000 apartments have been built as vacation homes, and hotels with a capacity of 80,000 visitors have sprung up in the valley. Some critics say that all this construction, along with deforestation in earlier years, contributed to the chain reaction of events in the last few weeks.

Mr. Azzola and other specialists are more skeptical about human culpability. They note, for instance, that the huge landslide took place on a mountain that was entirely virgin. In that case, at least, it was nature acting as it often does in these mountains.

## PEACE: Arias Proposal Accepted

(Continued from Page 1)  
tiny aid to the Sandinist government.

Mr. Reagan had proposed suspending U.S. military aid to the Nicaraguan rebels, known as contras, during the cease-fire and negotiations, providing only humanitarian assistance to them.

The proposals as outlined by Mr. Wright would appear to block both military and humanitarian aid to the contras.

According to Mr. Wright, Mr. Fernández said that Mr. Arias asked him to call with news of the breakthrough and to say that had it not been for the stimulus provided by the United States "this would not have been possible."

The developments came after the administration turned down a call by Mr. Ortega for a U.S.-Nicaragua meeting.

Mr. Ortega's proposal for direct talks was rejected Thursday by Secretary of State George P. Shultz, who said that the administration set by Mr. Reagan.

Some critics say that Mr. Reagan's aim is to establish impossible conditions that guarantee failure, thus setting the stage for a continued flow of U.S. arms to the contras.

Mr. Byrd said the tone of Mr. Reagan's rhetoric in the coming weeks would be a measure of his sincerity. He expressed hope that Mr. Reagan would fulfill a pledge to avoid strikes on behalf of the contras as long as the diplomatic effort is alive. (AP, UPI)

## POLL: Reagan Aided by Hearings

(Continued from Page 1)  
testified, Secretary of State George P. Shultz received the highest marks, followed by Defense Secretary Caspar W. Weinberger. The former White House chief of staff, Donald T. Regan, and Attorney General Edwin Meese 3d drew mixed reviews.

Mr. Reagan's overall approval score, 50 percent positive to 47 percent negative, is identical to what it was in January — well below the mid-60s scores typical in 1985 and 1986. Disapproval of his conduct of foreign affairs has dropped from 64 percent to 53 percent.

On a series of specific questions relating to the hearings, his rating has improved.

The percentage saying Mr. Reagan has not told the truth about his situation has dropped to 52 from 69 in early June. The share

saying he participated in an organized cover-up has dropped from 51 percent to 43 percent in the same span.

The portion saying he made major mistakes has dropped to 39 percent. And 68 percent now say his advisers were more to blame than Mr. Reagan himself, an 11-percentage-point swing since March.

And while 60 percent still think that Mr. Reagan knew about the diversion of money for the guerrillas earlier than he has acknowledged, that suspicion was held by 73 percent in early June.

However, 60 percent of those surveyed said they thought that Mr. Reagan would continue to have serious problems because of the affair and 51 percent said they thought that information now publicized hurts his ability to lead the country during the rest of his term.

The Reagan administration was cheered by spot polls indicating that Colonel North's testimony in July had boosted public support for aid to the contras, as the Nicaraguan rebels are known. But that may have been a short-lived phenomenon.

The latest reading is 59 percent against to 36 percent for military aid. Just after Colonel North's testimony, it was 46 percent against to 43 percent for the aid.

Those surveyed oppose prosecution of Colonel North by 68 percent to 28 percent and, by 51 percent to 46 percent, approve a presidential pardon to prevent such

"We're prepared to talk with everyone about things in the region," Mr. Shultz said. But he said it must be "a regional approach."

"There is no way in which the United States would want to sit down with Nicaragua to decide what is right for Central America," he said.

The Senate Democratic leader, Robert C. Byrd of West Virginia, said Thursday that it was "unrealistic" to expect a cease-fire and major strides toward democracy in Nicaragua by Sept. 30, the deadline set by Mr. Reagan.

Some critics say that Mr. Reagan's aim is to establish impossible conditions that guarantee failure, thus setting the stage for a continued flow of U.S. arms to the contras.

Mr. Byrd said the tone of Mr. Reagan's rhetoric in the coming weeks would be a measure of his sincerity. He expressed hope that Mr. Reagan would fulfill a pledge to avoid strikes on behalf of the contras as long as the diplomatic effort is alive. (AP, UPI)

## Doctor Says Koch Had a Tiny Stroke

The Associated Press

NEW YORK — Mayor Edward I. Koch of New York has suffered a "tiny, trivial stroke," but remains healthy and should be back at his desk by next week, a doctor said Friday.

Mr. Koch, 62, was taken to Lenox Hill Hospital on Thursday after suffering from slurred speech, dizziness and nausea. Doctors said they believed he had suffered a transient ischemic attack, or TIA, a briefly diminished flow of oxygen to the brain.

But Dr. J.P. Mohr, head of the stroke center at Columbia-Presbyterian Medical Center's Neurological Institute, said Friday that his ailment had been reclassified as a stroke when the condition did not disappear.

The mayor was transferred to the medical center Friday morning when his symptoms recurred.

A stroke is any arterial disturbance that either cuts or limits the flow of oxygen to any portion of the brain.

Dr. Mohr said that Mr. Koch would have to watch his blood pressure and take an aspirin, which acts as a blood thinner, each day.

The mayor is "ostentatiously healthy," Dr. Mohr said, "full of the wisecracks that made him famous."

## GULF: U.S. Postpones New Escort

(Continued from Page 1)  
to abandon the operation.

The London newspaper The Independent said Thursday that the Iranians had offered to stop attacking Kuwaiti shipping if the Kuwaitis canceled the escorting arrangements with the United States. Kuwait has been allied with Iraq in its seven-year war with Iran.

### ■ Use of War Act Doubted

Mr. Shultz told Congress on Friday that the Reagan administration did not intend to invoke the 1973 War Powers Act over the U.S. naval forces rammed an explosives-laden boat into a "hypothetical enemy target" in the Gulf, but the dispatch did not give the precise location. The Associated Press reported.

IRNA said the missile test-firing was ordered by President Ali Khamenei during a visit to the port of Bandar Abbas on the Strait of Hormuz.

No description of the missile was given, but Iran has Chinese-made Silkworm anti-ship missiles on its shore of the strait, which is 24 miles (38 kilometers) across. The missiles have a range of 50 miles.

In Tehran, millions of Iranians mourned in rioting in Mecca last week and chanted angry slogans at the United States on Friday. Reuters reported.

Iranians demonstrated around the country to protest the deaths in Mecca a week ago, and crowds called for revenge on the United States and Saudi Arabia. Tehran Radio reported.

At a mass funeral in Tehran for 50 pilgrims flown back from Saudi Arabia, demonstrators chanted "Death to America" and burned an effigy of King Fahd of Saudi Arabia.

In the Iranian military maneuvers, Revolutionary Guards chanted, "The Gulf is Reagan's burial place!" as they sailed high-speed attack boats in review before Mr. Khamenei.

"We don't have any intention of getting into that war," Mr. Shultz said.

And he said that because of the high incidence of terrorism around the world it made little sense to invoke the act in this instance.

Further, he said the administration would be even more reluctant to invoke the War Powers Act because it has a 60-day termination date requiring the president to

withdraw U.S. forces unless Congress declares war or specifically authorizes them to remain.

In the Gulf, an Islamic Republic News Agency dispatch said Iranian forces rammed an explosives-laden boat into a "hypothetical enemy target" in the Gulf, but the dispatch did not give the precise location. The Associated Press reported.

For decades the Soviet Union watched as the United States courted support from the pro-Western government of Shah Mohammed Reza Pahlavi. Since the Shah was forced from power in 1979, the Soviet Union has tried, with mixed success, to develop a stable relationship with the religious leadership in Tehran, which has often seemed to view the Soviets with only slightly more favor than the United States.

Later, Mr. Vorontsov, Moscow's top troubleshooter, had held a series of meetings with Iranian leaders in Tehran and Geneva. Soviet officials, including President Andrei A. Gromyko and Prime Minister Nikolai L. Ryzhikov, have hosted senior Iranians in Moscow.

The railroad to the Gulf included in the projects announced this week would give Moscow a route for exporting military equipment and industrial goods, a major strategic gain for a country hampered by remote ports closed by ice in winter.

## PARTNERS: Iran's New Tune

(Continued from Page 1)  
appeal within its borders of Iranian-style Islamic fundamentalism.

"Soviet leaders worry about Iran the way American leaders worry about Mexico," an Arab diplomat said. "It's a source of potential instability along a sensitive border and even within the Soviet Union itself. They want to protect against the day when the Islamic revolution in Iran becomes exportable and threatens to spread through the Moslem population of the Soviet Union."

In addition, Moscow has been motivated by a desire to avoid Iranian attacks on Soviet merchant vessels in the Gulf. The freighter Ivan Koroteyev was attacked by Iranians in May.

West German Sentenced For Pro-Nazi Teachings

KOBLENZ, West Germany — A West German school teacher, accused of telling pupils that Nazi concentration camps were a fabrication, received Friday a nine-month suspended prison sentence for inciting racial hatred and insulting behavior.

A court in Koblenz heard that Rudolf Koch told his students that no more than 40,000 Jews died in World War II and that the Auschwitz concentration camp was an invention of the United States. Mr. Koch said he intended no malice and that the charges were a plot by hostile pupils and teachers.

The agency suggested the toll could be high, saying steps were being taken to assist the families of the dead.

It gave no further details but said a government commission headed by a deputy prime minister, Gennadi Vedenikov, had been set up to investigate the cause of the accident.

Tass said the collision occurred at the Kamenskaya station in the Rostov-on-Don region, about 540 miles (870 kilometers) southeast of Moscow near the Black Sea.

The agency suggested the toll could be high, saying steps were being taken to assist the families of the dead.

Tass said the top Soviet leadership had sent condolences to the families of the dead.

The Associated Press

REUTERS

MOSCOW (Reuters) — A Soviet passenger train and a freight train collided at a station and killed an unspecified number of people, the Tass news agency reported Friday.

Tass said the collision occurred at the Kamenskaya station in the Rostov-on-Don region, about 540 miles (870 kilometers) southeast of Moscow near the Black Sea.

The agency suggested the toll could be high, saying steps were being taken to assist the families of the dead.

Tass said the top Soviet leadership had sent condolences to the families of the dead.

The Associated Press

REUTERS

## ARTS/LEISURE

# The Getty Achievement: An Enchanting Museum

International Herald Tribune

**MALIBU**, California — The creation of a museum with major holdings of Western art in 13 years starting from scratch — almost — is an extraordinary feat. Yet from its beginnings in 1974,

SOUREN MELIKIAN

when through the generosity of the late J. Paul Getty the neo-Roman building went up on a Malibu hilltop overlooking the sea, its significance has been lost from sight.

At first, attention focused on the personality of the oil billionaire and the size of his endowment. Later, after the estate was settled in March 1982 and the proceeds turned over to the J. Paul Getty Trust, presided over by Harold Williams, the interest of the media shifted to the politics of the whole affair. Commentators were also fascinated by the size of the museum's annual purchase budget, reported to be in the area of \$60 million. Western European museums dreaded a competition they would never be able to sustain.

Events soon justified their fears, although not in the way they expected. The Getty, under the direction of Stephen Garrett until 1982 and of John Walsh since then, has been careful not to ruffle feathers and not to bid, openly or covertly, against major European museums. But it could not help the ripples caused by the mere existence of its buying power. It was like a runaway circus elephant enjoying a quiet splash in the village pond and driving out the ducks despite its best behavior.

By December 1982, when a Raphael drawing of "Christ in Glory," which is not the master's greatest, had reached the £205,000 mark (\$328,000 at the time) at Christie's, the Europeans began to realize the nature of their problem. In July 1984, at the first sale of drawings from Chatsworth, they were able to measure the extent of the havoc. The Getty made off with seven of the eight best items or, at any rate, the most expensive ones — Raphael's "Saint Paul," Rubens' "Rembrandt" — with the exception of a £3.56 million (\$5.47 million) Raphael portrait, which it bid. This performance, followed by others, drastically modified the balance of the market. The press:

understandably, focused on that aspect of the Getty's activities — until the next episode, which took it from Chapter 1: "Billionaire Getty Goes to Town" to Chapter 2: "Fakes! Tricks! Beware!" in what has now become an ongoing saga.

The purchase of a marble Kouros supposed to be from archaic Greece — "circa 530-520 B.C." — was the occasion. On Aug. 6, 1986, The Times of London discussed it under the none too flattering headline "\$7 Million Masterpiece — or a Fake?" The remarkable technicians at the Getty Conservation Institute, an independent body operated by the Getty Trust, have carried out a surface investigation which, they say, shows a transformation process that can only take place over centuries. Unfortunately, equally remarkable collectors remain skeptical.

The statue is a bit funny, with its fat-cheeked, goggle-eyed smile and its rigid, flat-footed posture. Add to that a head, ascribed to the sculptor Scopas, that is unconvincing and an archaic belt relief that looks like a prop in a film set, plus a traces about the doings of a curator who has now left the museum, and the image of the institution has suffered. That the Getty is one of the most enchanting of American museums to visit has been overlooked in the process.

For one thing, it has some wonderful pieces that are musts on the list of anyone who can afford to travel. "Portrait of an Old Man in a Plumed Hat," with its mixture of anxiety and defiance of military swagger in a steel corset and frail age, has all the greatness of Rembrandt, at his highest, scrutinizing the human face and preserving it in chiaroscuro well-suited to our ambivalence. Its Nicholas Berchem landscape acquired last year has the large size and the perfection of detail that museum directors dream about for a showpiece — it is a landmark in the Dutch artist's oeuvre. Collectors may prefer the marvelous study of an apostle seen three-quarters back to wonder whether it really is by Van Dyck — who cares? It is a masterpiece in a post-Caravaggesque mood — or a small landscape by Jacob van Ruisdael for the stormy light falling from steady gray clouds over a sinuous patch of a golden cornfield.



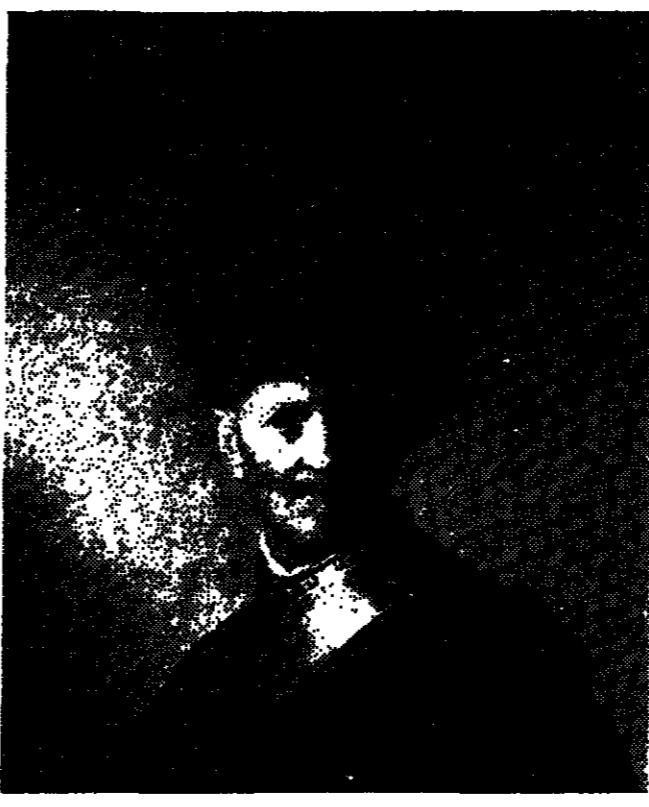
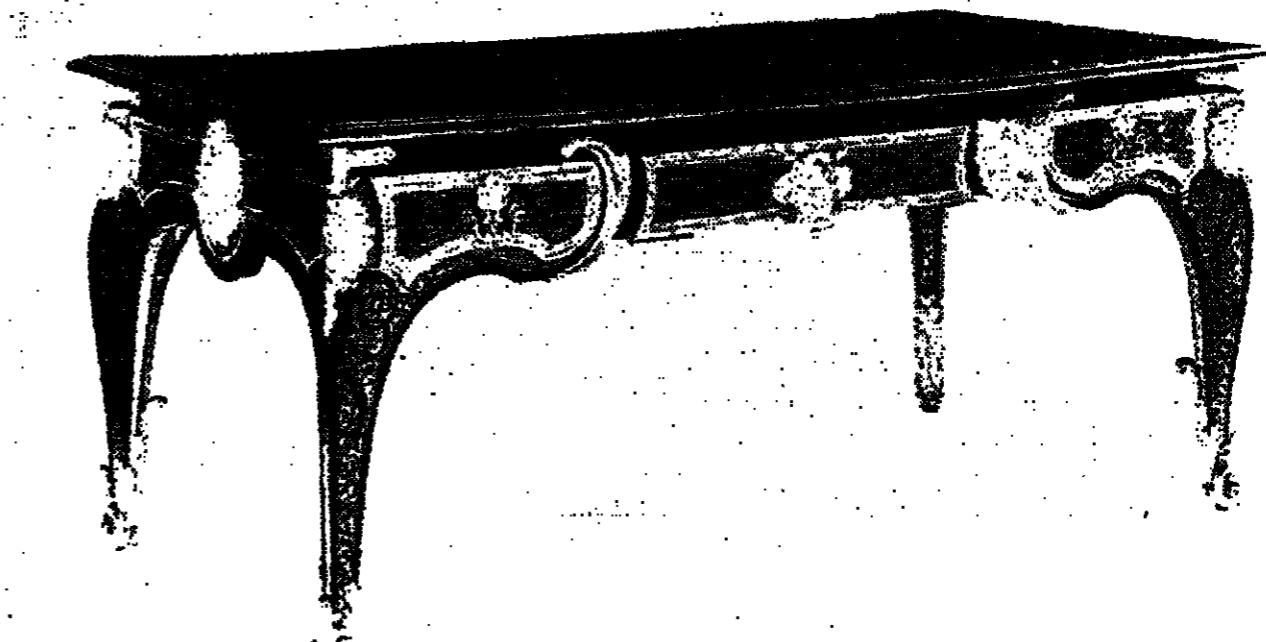
But it is not just the individual works that make the museum such a stunner. It is the sum total and its arrangement. It is one of the few places where you can walk through the Dutch and Italian rooms, go past some easily dispensable 19th-century paintings, round around 17th- and 18th-century furniture, then go down to ground level and stroll among Roman and Greek sculpture, all around an open patio, and leave without swimming eyes and a throbbing head. The museum has retained a human scale.

The modern disease — encyclopedic displays, maps, yard-long labels — has not smitten the Getty. It has chosen to develop some well-defined sections and done so brilliantly. Some of the most marvelous French Boulle furniture from Louis XIV to Louis XVI has been assembled by Gillian Wilson with dogged determination over the last 12 years, forming one of the most

magnificent sequences on view in the United States. A sprinkling of marquetry Louis XV and Louis XVI pieces, a few well-chosen objets d'art, some in the worst taste of the period with lots of gold and pink, round it off. And it works — Seven porcelain eggs and all.

A few steps away, one stumbles upon some Italian furniture, brushes past one of the great Goya discoveries in post World War II years — the portrait of Marquesa de Santiago — and as the weariness of overexposure to paintings or the scintillating world of 17th- and 18th-century decorative art begins to tell, one can go down to the rooms filled with antiquities around the patio.

Some are remarkable, the goggly-eyed Kouros notwithstanding. The early fifth century B.C. Kore, head, arms and legs missing, retains the vibrant dignity of Greek art on the threshold of Classicism.



At the opposite end, a hoard of Parthian silver from northern Iran, mislabelled "Hellenistic," is a collector's and an art historian's treat.

At recurring intervals, auction-house addicts can nod at acquaintances, old and recent. That mysterious blue glass bottle with white sur-

rounds, such as a remarkable bronze

shield with a solar motif and a Greek inscription, hitherto unread, naming the "emperor," that could well be from Eastern Anatolia or Iran, where Greek was also used in the Parthian period. This combination of rediscovered masterpieces and unexpected finds is the privilege of a living collection — one of the Getty's main attractions.

Even so, the museum does not reveal its full splendor at a glance, if only because its two greatest assets lie in collections that cannot be permanently displayed. If the museum should put up a monument to Burton Fredericksen, then curator of paintings, who found its greatest Rembrandt — probably the last free-floating great Rembrandt — it should build another to Thomas Kren for laying hands on a hoard of medieval manuscripts and a third to George Goldner, the curator of Old Master drawings.

The 144 manuscripts acquired at one go by Kren from the Ludwig collection in 1983 must rate as the most sensational art market coup in the last two decades. From the Byzantine Gospel copied in Constantinople in 1133 to the breviary illuminated at Montecassino 20 years later, the collection yields one gem after the other for beauty as well as art-historical significance. Kren has added a few more — a Book of Hours by the great Guillebert de Mets, another Book of Hours with some miniatures by

Jean de Fouquet, one of the most famous of 15th-century French artists.

While Goldner did not have the luck to make one single big catch in Old Master drawings, he got some of the cream from Chatsworth in 1984 and 1987, and has scored several one-item coups. What must be one of the greatest Lorenzo Lottos negotiated in recent times was acquired quietly from a Boston collector at the time of the first Chatsworth sale. Sources say the price was about \$300,000. A study of a kneeling woman for Carpaccio's "Holy Family and the Donors" was in Lyon until this year before finding its way to the Getty.

Temporary exhibitions reveal the splendor of manuscripts and Old Master drawings at intervals. Small in scope, they can be events worthy of international attention. Alas, the museum does not have the time or the will to produce the well-illustrated catalogues these badly need from the visitor's standpoint — if only plates with one-line captions. The Getty Museum is an admirable institution, immensely superior to its reputation. But it has yet to learn about image building.

The museum is open Tuesday through Sunday, 10 A.M. to 5 P.M. Admission is free but parking reservations are needed. Walk-in traffic is not allowed but visitors without reservations may be dropped off at the front guard house.

## Dana Ivey's Pechant for Playing the Persnickety

By David Kaufman

New York Times Service

WITH noticeable consistency, Dana Ivey has played antagonists or less commendable characters — snobs, manipulators or losers. Her willingness to take on unlikable characters partially explains why she was the choice for the title role in "Driving Miss Daisy" at the John Houseman Theater.

Ivey portrays Daisy Wertham, a difficult Southern Jewish widow who, at 72 when the play begins, is nearly twice the actress's age, and is another 25 years older by the time the story ends.

"From what I had seen of Dana's work, I knew that she didn't flirt with audiences in that shameful way that many actresses do," said Alfred Uhry, the Atlanta-born author of the play. "I knew that she wouldn't be sentimental or wouldn't be afraid to be mean and nasty. She had always played parts where she wasn't afraid to have the audience not like the character or not think the character was adorable. I could tell that she was an honest actress, as opposed to those TV or movie people who don't play the part, but play themselves."

Mrs. Daisy, an ex-schoolteacher, is a fiercely independent and stubborn Atlanta widow. The story begins when she has a car wreck, after which she brusquely exclaims, "It was the car's fault!" During the course of the episodic, 90-minute play, she is compelled to adjust to the daily presence of a black chauffeur named Hoke (portrayed by Morgan Freeman), hired against her wishes by her middle-aged son Bullie (Ray Gill). The tale traces the development of the relationship between the persnickety, unaffectionate Miss Daisy and the patient, human Hoke.

Ivey began to garner attention on the New York stage in 1982 when she appeared as Monica Reed, the sassy secretary in Noel Coward's "Present Laughter." Ivey, who speaks with acid irony and looks as if she were drawn by Peter Arno, is the production's best exemplar of the true Coward.



Dana Ivey (right) plays Miss Daisy, who ages from 72 to 97 during the course of the play.



Courtesy

style," wrote Frank Rich in The New York Times. The following year, Rich wrote that he had "a particular weakness" for Ivey in "Quarterman's Terms." For her gifted realization of Melanie Garth, the lonely spinster and misfit schoolteacher in Simon Gray's play, Ivey won the Clarence Derwent Award as well as raves from many critics — and from the playwright himself.

I initially thought of Melanie as seeming to be a very ebulliently straightforward type of person, although we discover in due course that she's not," said Gray in a recent interview about Ivey's performance. "And I think that what Dana explored with great richness from the very beginning was the delicacy of the spirit of this woman. She brought a wonderfully distinctive freshness to the part every evening, that was, for the playwright, both exhilarating and sometimes slightly alarming."

The next year, in 1984, Ivey received two Tony Award nominations: respectively for featured actress in a play and in a musical: as Lady Utterwoord, the unwelcome daughter, in Shaw's "Heartbreak House," and as Yvonne, the snobbish dilettante, in "Sunday in the Park with George."

In the intervening years, Ivey has played both on and off Broadway: as the Sovier spy and duplicitous neighbor in Hugh Whitemore's "Pack of Lies," the sadistic nanny in Christopher Durang's "Baby With the Bathwater" and the eccentric countess in Andre Serban's comic version of "The Marriage of Figaro."

"When I read the script, she seemed like a different person than the one that has developed," Ivey said of Miss Daisy. "I thought of her as being much softer and having a greater sense of humor. But the way she's coming out is so

much more dour, more prickly and self-centered and contrary. She has this schoolmarmish and didactic aura about her.

"Sometimes it's obvious that the audience doesn't really like her at first. It takes them a while to begin to warm up to her, just as it took me a while to, because the way she expresses herself is not necessarily the way she feels. She has a great deal of fear and she's masking a lot of that. It's a process of getting to know who she really is from the way she presents herself. Much of this happened for me in front of an audience. Their perceptions and their responses taught me things about Daisy that I wasn't aware of myself."

The character was based on an amalgam of Urby's grandmother, his grandmother's sisters and his mother. But despite the intimacy of his conceptions, the playwright feels that Ivey supplied him with

new insights on his own background. "Dana has helped me see how really vulnerable this lady is, how you can't be that tight and that unbending without being susceptible underneath. She makes me see a lot that I didn't see as a boy."

One of the aspects that has distinguished the actress's career is her portrayal of such a wide range of characters. "I'm a repertory actor," said Ivey with pride, "an old-fashioned product of the theater where you play one character one week and another character the next. The greatest compliment is that nobody ever recognizes you. Whereas in our valueless culture, the highest praise seems to be the star thing and constant recognition, my background is that you should create something that is so itself that nobody realizes it's you even if they saw you last week as someone else. That's the exciting part of it for me."

"I think one of the things that

people are likely to say about Dana is that she's wonderfully rich in the way in which she explores seeming drabness," Gray said. "And people are likely to go on casting her in that mold which I think is a great pity, because quite clearly she's an actress who can cover the spectrum. I mean you can't do what she does as well as she does it unless you are an actress of enormous range."

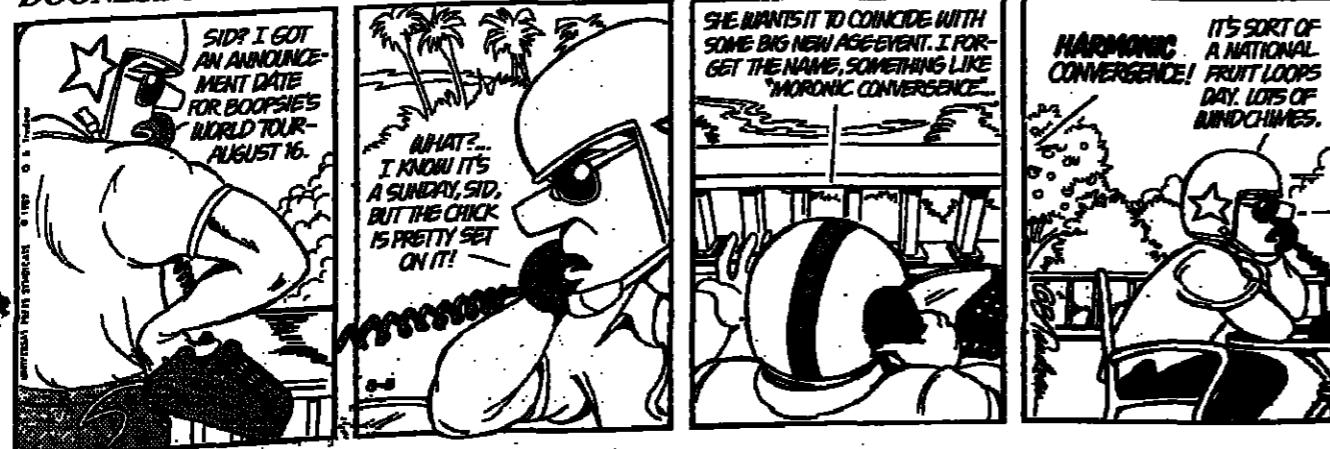
"Probably I have in me," explained Ivey, "a capacity for seeing a lot of sides of life, and I seem to be able to tap into the things that make these antagonists successful. It may be because I'm not afraid of the dark side of life since I know it. I've come to terms with it myself, and I'm willing to portray it."

Ivey's experience of the "dark side" was most pronounced when she was afflicted with bouts of Guillain-Barre syndrome, a viral disease that strikes the muscular and nervous systems and that left her semi-paralyzed for two separate four-month periods, in 1969 and 1973. "I had some quite fearful moments when I thought I was going to be a vegetable for the rest of my life," she recalled. "I knew that there was a lesson in it, and that I probably wouldn't start to get well until I had somehow begun to learn what that lesson was."

After years of performing in repertory and repertory situations Ivey moved to New York in 1977. She enraged audiences as the villainous Minnie in Steven Spielberg's film version of "The Color Purple," and she has recently completed the TV series, "Easy Street," in which she portrayed the snooty sister-in-law Eleanor.

"In the last six months something has been carrying me along to a new and somehow different position," mused Ivey. "I met one girl at a party who said, 'Oh, Ivey, it's such a pleasure to meet you.' She told me that she included my name on an application for Juilliard as an actress who inspired her. But the upshot was that she didn't get in. So I still have to wonder what it all means."

## DOONESBURY



## Gift Pledged to Met Museum

New York Times Service

**N**EW YORK — A gift of \$10 million has been pledged to the Metropolitan Museum of Art by Milton J. Petrie, chairman of the Petrie Stores Corp., a chain of retail women's clothing stores.

The money will be used for a sculpture court in the four-story wing being built to house European sculpture and decorative arts. The \$51 million wing, the final element in the Met's master plan of 1970, will fill the last gap in the museum's western facade.

The donation for the court, to be

named for Petrie and his wife, Carroll, was announced Thursday by Arthur O. Sulzberger, who is chairman of the Metropolitan's board of trustees and the publisher of The New York Times. The Carroll and Milton Petrie European Sculpture Court is to be 32 feet (97 meters) wide by 240 feet long. A pyramidal skylight is to rise 63 feet at its highest point. Cited by Philippe de Montebello, the Met's director, as "the last vast open space within the museum," it has been designed to evoke a formal French garden of the period of Louis XIV.

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NYSE Most Actives						
	Vol.	High	Low	Last	Chg.	C%
Hourly	16,673	33	32	32	-1	-3%
AT&T	20,555	14	13	13	+1	+7%
MASSUT	14,254	92	92	92	-1	-1%
NTT	11,750	12	11	11	+1	+9%
IBM	12,504	12	11	11	+1	+8%
Motorola	10,844	12	11	11	+1	+8%
General	14,522	14	13	13	+1	+7%
Perf. Co.	13,500	29	28	28	+1	+3%
Teneco	12,540	24	23	23	+1	+4%
Airbus	12,220	24	23	23	+1	+4%

Market Sales						
	NYSE 4-hr. volume	NYSE 4-hr. volume	Amex 4-hr. volume	Amex 4-hr. volume	Close	Chg.
212,440,000	223,009,770	223,009,770	14,440,000	14,440,000	142.45	+0.50
165,265,708	165,265,708	165,265,708	15,029,990	15,029,990	142.45	+0.50
75,621,700	75,621,700	75,621,700	15,027,557	15,027,557	142.45	+0.50
3,661,285	3,661,285	3,661,285	1,000	1,000	142.45	+0.50
3,642,200	3,642,200	3,642,200	1,000	1,000	142.45	+0.50

NYSE Index						
	High	Low	Close	Chg.	Chg.	C%
Composite	131.27	130.44	130.07	+0.21	+0.21	+1.6%
Industrials	130.11	129.43	129.43	+0.21	+0.21	+1.6%
Trans.	130.11	129.43	129.43	+0.21	+0.21	+1.6%
Utilities	130.11	129.43	129.43	+0.21	+0.21	+1.6%
Philippines	150.07	150.77	150.77	+0.51	+0.51	+3.4%

# NYSE Closing

Via The Associated Press

AMEX Diary						
	Close	Chg.	Chg.	Chg.	Chg.	C%
Advanced	124.45	+0.25	+0.25	+0.25	+0.25	+2.0%
Unchanged	124.45	+0.25	+0.25	+0.25	+0.25	+2.0%
New Highs	124.45	+0.25	+0.25	+0.25	+0.25	+2.0%
New Lows	124.45	+0.25	+0.25	+0.25	+0.25	+2.0%

NASDAQ Index						
	Close	Chg.	Chg.	Chg.	Chg.	C%
Composite	442.28	+0.25	+0.25	+0.25	+0.25	+0.6%
Finance	442.28	+0.25	+0.25	+0.25	+0.25	+0.6%
Resource	442.28	+0.25	+0.25	+0.25	+0.25	+0.6%
Utilities	442.28	+0.25	+0.25	+0.25	+0.25	+0.6%
Trans.	442.28	+0.25	+0.25	+0.25	+0.25	+0.6%

AMEX Most Actives						
	Close	Chg.	Chg.	Chg.	Chg.	C%
TOTAL	124.45	+0.25	+0.25	+0.25	+0.25	+2.0%
Finance	124.45	+0.25	+0.25	+0.25	+0.25	+2.0%
Utilities	124.45	+0.25	+0.25	+0.25	+0.25	+2.0%
Trans.	124.45	+0.25	+0.25	+0.25	+0.25	+2.0%
Philippines	124.45	+0.25	+0.25	+0.25	+0.25	+2.0%

Dow Jones Bond Averages						
	Close	Chg.	Chg.	Chg.	Chg.	C%
Bonds	87.57	-0.13	-0.13	-0.13	-0.13	-1.5%
Utilities	87.70	-0.20	-0.20	-0.20	-0.20	-2.3%
Industries	87.74	-0.20	-0.20	-0.20	-0.20	-2.3%

NYSE Diary						
	Close	Chg.	Chg.	Chg.	Chg.	C%
Advanced	127	126	126	126	126	-0.5%
Declined	127	126	126	126	126	-0.5%
Unchanged	127	126	126	126	126	-0.5%
Total Issues	127	126	126	126	126	-0.5%
Up Issues	127	126	126	126	126	-0.5%
New Lows	127	126	126	126	126	-0.5%

Odd-Lot Trading in N.Y.						
	Buy	Sales	Chg.	Chg.	Chg.	C%
Aug. 4	320,704	493,323	512	512	512	-0.0%
Aug. 5	298,181	540,456	512	512	512	-0.0%
Aug. 6	298,181	540,456	512	512	512	-0.0%
Aug. 7	303,528	587,365	512	512	512	-0.0%
July 31	319,502	533,507	512	512	512	-0.0%

Dow Jones Averages						
	Open	High	Low	Last	Chg.	C%
Industrials	287.04	287.04	287.04	287.04	+0.21	+0.7%
Utilities	287.04	287.04	287.04	287.04	+0.21	+0.7%
Finance	287.04	287.04	287.04	287.04	+0.21	+0.7%
Transport	287.04	287.04	287.04	287.04	+0.21	+0.7%
Commodities	287.04	287.04	287.04	287.04	+0.21	+0.7%

Joy in its

## ECONOMIC SCENE

Radical 'Spasm' in Iran:  
What Effect on Oil Prices?By LEONARD SISK  
New York Times Service

**N**EW YORK — How serious are the risks of a war in the Middle East that would close the Gulf and send oil prices spiraling upward? The Iranian leaders have been making threats that have caused the oil market to shiver and shake.

Gary Sick, who was in charge of the Iran desk at the National Security Council during the Carter administration, believes that the "new incident at Mecca" means that Iran is reverting to the "frenetic, fanatic" revolutionary spirit that gripped the country after the 1979 revolution and that lasted until 1983-84. "They acted as though they were ready to take on the whole world," he said in an interview this week.

But from 1984 until late 1986, the Iranians, suffering economically and struggling to defeat Iraq, made an effort to accommodate themselves to necessity. They worked out arrangements with the Saudis on pilgrimages to Mecca and made arms deals with the United States and Israel.

However, as Mr. Sick sees it, several recent events have undercut the so-called pragmatists in Tehran and heightened the internal threat of a radical takeover of the government. First there was Iran's failure to win the war, then exposure of the dealings with the United States and Israel. And finally, bringing matters to a head, was the American response to the Iraqi missile attack on the frigate Stark — the Reagan government threatened Iran and not Iraq.

To contain the threat from the radicals, the Iranian authorities reverted to revolutionary oratory, denouncing the United States, Israel, France, Saudi Arabia and the Soviet Union. Yet, amid this seemingly wild outburst, Iran agreed last week with the Soviet Union on "large-scale projects of mutually beneficial economic cooperation."

Is this madness? Or are the Iranians crazy like a fox? Mr. Sick thinks that Iran's "latest spasm" was contrived. But he fears that it could continue quite a while, threatening other Arab states with a spread of the fundamentalist contagion.

Nevertheless, he sees incidents like the one in Mecca as an alternative to a military showdown. "Even at the height of the hostage crisis in 1980," he said, "they meticulously avoided a direct confrontation with the United States."

**T**HE IRANIANS NEED to keep the Strait of Hormuz open. It is their economic lifeline. One petroleum economist, Maurice Adelman of the Massachusetts Institute of Technology, said Thursday that "Iran can't even eat or buy military hardware unless they can export their oil."

Iran's reported deal with the Russians, including the building of pipeline and railroad connections, would, he said, be a way of breaking a U.S. blockade of the strait.

Iran could be caught in a cleft stick by the Soviet Union on the other side. The real test of Iran's willingness to become more dependent on the Soviet Union, Mr. Sick said, is whether it will open the existing gas pipeline to Russia, which the revolutionary authorities closed in 1979. The gas pipeline, according to Mr. Adelman, could be converted to carrying oil, giving Iran an overland route for delivering oil to Europe or Japan.

This week, after initial fears of hostilities drove up the oil price, the market settled down a bit. The betting is now against a closing of the Gulf. "To be sure, accidents can happen and events get out of control. In the short run," Mr. Adelman said, "the oil market will be the prey of hopes and fears and hunches."

Since the plunge of oil prices after 1980, the price of a barrel of crude has fluctuated within a range of \$10 to \$20; now it looks as though that range has widened to \$5 to \$25, Mr. Adelman said.

But, in the longer run, he doesn't foresee a return to the rocketing prices of the 1970s, thanks to greater efficiency in energy use and the growth of oil supplies in nations outside the Organization of Petroleum Exporting Countries.

## Currency Rates

## Cross Rates

	S	E	D.M.	F.F.	H.L.	G.M.	S.F.	Yen
Amsterdam	2,195	3,235	112,65*	22,25*	6,195*	1,610*	14,15*	
Brussels (e)	39.04	61.65	20.75	4.22	2,827*	18.64	—	25,675
Frankfurt	1,682	2,96	—	—	1,579*	8,645*	4,471*	12,525
London (e)	1,695	2,96	—	—	2,642*	9,684*	5,272*	12,525
Paris	1,642.59	2,849	21.23	4.665	1,629	8,645*	4,471*	12,525
New York (e)	1,629.49	2,832	21.23	4.665	1,629	8,645*	4,471*	12,525
Paris	4.28	6.91	3,323	—	1,201.98	2.12	29.37	15,160
Tokyo	151.25	220.07	60.24	9.40	11,178*	71.52	39.27	15,160
Zurich	1,574	2,640	18.07	4.171	1,567	8,645*	4,471*	12,525
1 ECU	1,110	1,707	—	—	1,076.45	2.24	40.05	12,525
1 Swiss	151.25	220.07	60.24	9.40	11,178*	71.52	39.27	15,160
1 Sterling	2,195	3,235	112,65*	22,25*	6,195*	1,610*	14,15*	

(a) Commercial franc (e) Units needed to buy one pound (b) Units of 1,000 N.G.O.; not available: N.A.; not available: dollar (c) To buy one pound: \$14,533.64

## Gold

## Interest Rates

## Eurocurrency Deposits

	Dollars	D-Mark	Swiss	French	ECU	SDR
1 month	4.64-5%	3.94-5%	3.4-3.5%	3.4-3.5%	3.4-3.5%	5.4%
2 months	5.6-7%	3.94-5%	3.4-3.5%	3.4-3.5%	3.4-3.5%	6.1%
3 months	6.6-7.1%	4.94-6%	4.4-4.5%	4.4-4.5%	4.4-4.5%	6.8%
6 months	7.6-7.7%	5.94-6%	5.4-5.5%	5.4-5.5%	5.4-5.5%	7.4-7.5%
1 year	7.7-7.8%	6.94-7%	6.4-6.5%	6.4-6.5%	6.4-6.5%	8.4-8.5%

Source: Morgan Guaranty; (b) D-M, SF, PPF; Lloyd's Bank (c) Lazard Frères; (d) Reuters; (e) Bank of Paris; (f) Bank of Tokyo (Tokyo); IMF (SDR); BANX (dollar, French franc); (g) Standard & Poor's. Other data from Reuters and AP.

## Interest Rates

## U.S. Money Market Funds

	Class	Prev.	Aug. 7
Merrill Lynch Ready Assets		5.76	5.78
30-day overplus yield:		5.78	5.78
Telephone Interest Rate Index:		4.06	4.06
Source: Merrill Lynch, Telephone.			

Source: Merrill Lynch, Telephone.

## Asian Dollar Deposits

	1 month	2 months	3 months	6 months	1 year
1 month	6.9-8%	6.7-7%	6.5-6.7%	6.5-6.7%	6.5-6.7%
2 months	7.1-8%	7.0-7.2%	6.8-7.0%	6.8-7.0%	6.8-7.0%
3 months	7.3-8%	7.2-7.4%	7.0-7.2%	7.0-7.2%	7.0-7.2%
6 months	7.4-8%	7.3-7.5%	7.1-7.3%	7.1-7.3%	7.1-7.3%
1 year	7.5-8%	7.4-7.6%	7.2-7.4%	7.2-7.4%	7.2-7.4%

Source: Reuters.

## Gold

	A.M.	P.M.	Cave
Hong Kong	488.35	488.35	—
London (FTSE Market)	479.84	479.84	—
Paris (TEB Market)	479.84	479.84	—
Zurich	464.00	464.00	—
London	464.00	464.00	—
New York	—	453.65	—

London, Paris and London official closing prices; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. \$ per ounce. Source: Reuters, AP.

Gold

Stocks  
Fall Again  
In U.K.June Trade Data  
Worry Investors

Compiled by Our Staff From Dispatches  
LONDON — Prices on the London Stock Exchange fell sharply Friday for the second consecutive day amid fears of higher interest rates and concern over trade figures due out next week.

The Financial Times-Stock Exchange index of 100 leading shares plunged 65 points shortly after trading opened, but later recovered to close at 2,226.2, down 35.2 points for the day.

The nosedive of 91.2 points over two days, or 3.9 percent of the index's value — began on Thursday, after commercial banks raised their base lending rates to 10 percent from 9 percent.

That hike was prompted by the Bank of England's surprise decision to raise its benchmark lending rate 1 percentage point to 9.875 percent.

The increase stunned financial markets. The 100-share index tumbled a 70.6 points on Thursday, but clawed back to close a record 56 points down at 2,261.4. The largest previous one-day fall was on March 30, when the index dropped 46.1 points to finish at 2,002.5.

The higher interest rate, meanwhile, failed to bolster sterling much on Friday after giving it an initial lift on Thursday. The pound ended London trading at \$1.5675, down from \$1.5750 on Thursday, and at 2,965 Deutsche marks, down from 2,965 D.M. on Friday.

Analysts said Friday that dealers were worried that interest rates might have to rise more to ease inflationary pressures. "There is intense nervousness" about interest rates, one analyst said.

Analysts said that stock prices are likely to remain under pressure at least until the release on Tuesday of July trade figures for June.

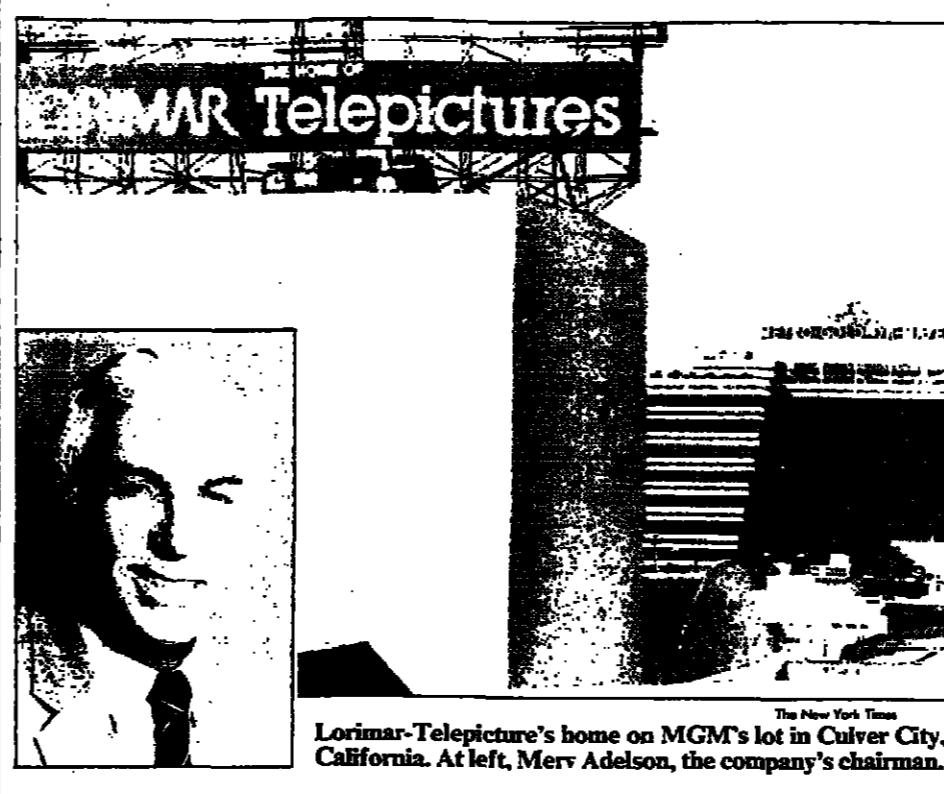
Some participants speculated that the Bank of England had engineered the rate hike in anticipation of bad trade data.

"People are regarding yesterday's interest rate hike as signaling bad news around the corner," said Ian Harwood, an analyst at Warburg Securities.

Nevertheless, he predicted that interest rates would remain at current levels for the time being.

"The government has done all it wants to do," he said. "The calm will take some time to set in."

(AP, Reuters)



Lorimar-Television's home on MGM's lot in Culver City, California. At left, Merv Adelson, the company's chairman.

Lorimar Gambles on the Big Screen  
Can a TV Star Make It in Movies? Analysts Have DoubtsBy Richard W. Stevenson  
New York Times Service

LOS ANGELES — Merv Adelson, the chairman and chief executive of Lorimar-Television Corp., is not content to be the king of prime-time television programming. He wants to be a movie mogul as well.

The man whose company has given television viewers "Dallas," "Falcon Crest" and "Knots Landing" is now pulling the wraps off Hollywood's newest full-fledged motion picture studio.

Wall Street thinks that the plan is a big gamble, and that Lorimar has succumbed to the allure of a business that promises big profits — but which more often delivers disappointment. Mr. Adelson insists that the venture will work and has amassed some of the industry's top managers, actors, writers and directors and a full slate of releases.

Lorimar even acquired the old MGM studio lot in Culver City last year, giving the production company one of the most fabled sites in movie history.

&lt;p

# Friday's NYSE Closing

Tables include the nationwide prices  
near the closing on Wall Street  
and do not reflect lots trades elsewhere.

Class  
Last  
Stocks  
Div. Yld. PE  
Stk. Wk. High Low  
Close  
Gnd. Chg.

(Continued)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946</th





## Intervention Can't Halt Dollar's Rise

Compiled by Our Staff From Dispatches  
NEW YORK — The dollar strengthened Friday, as widespread market support once again overpowered modest efforts by central banks to quell its advance.

In New York, the U.S. currency rose to a seven-month high of 1,8925 Deutsche marks, from 1,8845 DM at Thursday's close; to 151.50 yen from 151.50; and to 1,5735 Swiss francs from 1,5445.

The British pound slipped to \$1,5640, from \$1,5765 on Thursday.

Dealers in Frankfurt said that West Germany's Bundesbank sold \$10.1 million on Friday in an unsuccessful effort to curb the dollar's rise. The Bundesbank also reportedly sold \$5.7 million on Thursday.

The U.S. Federal Reserve and the Bank of England also sold dollars to try to stabilize the market, but the amounts were not sufficient, dealers said.

Dealers in New York said that the Fed intervened at around 1,8880 DM, placing sell orders of \$10 million each with about 10 New York banks. The amount was the same as in Thursday's Fed intervention.

"The speculative craving is still in the market," said a senior dealer.

London Dollar Rates	Buy	Sell
Deutsche mark	1,8900	1,8925
French franc	1,6050	1,6075
Japanese yen	151.50	151.50
Swiss franc	1,5720	1,5735
French franc	6,3000	6,3025

at a large West German bank. "Only massive intervention would subdue it."

John Lynam, vice president in foreign exchange at Security Pacific International, said, "Even though there have been reports of intervention, the dollar is ending the week higher than where it began. There is a tremendous demand for dollars still out there."

Mr. Lynam said that the dollar has the potential to reach the 1.92 level against the mark within the next week, possibly ahead of next Friday's report on the U.S. merchandise trade deficit for June. Mr. Lynam said that the trade number was expected to show some improvement over the \$14.4 billion deficit registered in May.

In addition to tensions in the Gulf, which have underpinned the

dollar's advance, Mr. Lynam said, that the "economy is showing better-than-expected strength." The Labor Department said Friday that the unemployment rate fell to 6 percent in July, the lowest rate since December 1979.

In London, the dollar closed at a seven-month high against the mark, at 1,8900 DM, up from 1,8825 DM at Thursday's close. Over the week, the dollar gained more than 3 pence from last week's finish of 1,8885 DM.

The U.S. currency firms to close at 151.60 yen on Friday, from 151.40 yen on Thursday and 149.85 a week before.

The pound slipped, to close at \$1,5675 after \$1,5750 on Thursday and \$1,5910 the week before.

Further upward pressure on the dollar is expected next week, dealers said.

In earlier European trading, the dollar rose to 1,8862 DM at the fixing in Frankfurt, from 1,8842 DM on Thursday, and to 6,2800 French francs at the fixing in Paris, from 6,2725.

It closed at 1,5708 Swiss francs in Zurich, up from 1,5602 francs. (UPI, Reuters)

## China Expected to Issue Bond Soon in U.K., First Since '49

Reuters

BELING — Foreign bankers expect China to make a bond issue in London by the end of this year, its first in Britain since the Communists took over in 1949.

But they are divided on whether China will seek the cheapest funds possible or opt instead for a prestige issue that sells easily, attracts the widest range of banks and smooths the way for future bonds.

China is free to re-enter the British market because it signed an agreement with Britain in June settling all outstanding property claims.

One British banker said the question was no longer whether China would issue the bond, but when.

"However China handles it, it will be oversubscribed and a success," he said. "There are still very many banks that want to lend to China."

A Japanese banker said China was anxious to reduce its loan dependence on Japan and the yen and is certain to go to London, the center of the Eurobond market.

"Opinion in China is very strong that it has

borrowed too much yen, which has proved very costly because of its rise," he said.

The British banker said he believed the issuer would be state-owned Bank of China, which has a well-established branch in London. The currency would be U.S. dollars, in which most of China's trade is conducted, he said, and the foreign banks involved could be any in the world.

But a European banker disagreed, saying that China would go for a prestige issue in London, in sterling, and with British banks at the top of the tombstone.

"This is the biggest capital market in the world," he said. "China wants to raise money regularly from it. The first issue is a political as well as economic event."

He said foreign banks regard China as an extremely good risk, with its debt-service ratio low and with excellent export potential.

A Chinese official said in March that the country's foreign debt was \$16 billion, of which \$7.6 billion was in low-interest, long-term loans. The German banker said Western estimates put the debt at \$22 billion to \$25 billion.

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